

Q: I'm already living in base housing. Will I have to move out of my current unit once privatization is initiated?

A: Probably not. Once the privatization of family housing starts, the developer will have up to ten years to complete all new construction and renovation. Presently, the Housing Office is placing families in the newer units and not occupying the older units which are targeted for demolition. The continuation of this present philosophy will minimize the need for future moves. Once the privatization developer has been selected, July 2006, we will advise the Holloman family housing community on the specifics of the developer's phasing to incorporate the planned multi-year phased development and improvements.

Q: Once a developer is selected and the homes are turned over for privatization, does this release the military from their current one-year obligation to reside in housing?

A: Yes. Members electing to remain in the homes once privatized will be required to sign a one-year lease with the developer. After the initial one-year lease period, member may enter into "month to month" leases

Q: What benefits does the contractor have to keep quarters assigned to active duty?

A: As with any rental property, vacant homes cost money and the developer will want to attract active duty military members and their families to maintain an occupancy rate to receive maximum Basic Allowance for Housing. The homes are to be brought up to conventional standards to include community development and developer is to establish a quality maintenance program all of which are to appeal to our active duty forces.

Q: What are "lock box" accounts?

A: The lock box accounts are a mechanism to distribute dollars generated from the Basic Allowance for Housing. Specifically, the accounts will be for:

- Windfall income - BAH increased as a result of the Cohen Initiative to eliminate no out of pocket expense.
- Lockbox Revenue – Project income

- Impositions Reserve – Taxes/insurance premiums
- Replacement Reserve – Ensure capital repair/replacements
- Operating Reserve – Pay operating expenses in excess of available monthly operating expenses
- Security Deposit – maintain all tenant deposits and fees for other than accompanied active duty members
- Utility Reserve – To pay for utility increases that cause reduction in project income
- Construction Escrow – To ensure cash flow “after” operating expense, impositions, and reserves to fund demolition/construction costs.
- Reinvestment – Reduce government financial liability, ensure project development, and for continued quality of life improvements.

Q: If people are assigned from the waterfall list, are they required to sign a one- year lease?

A: Yes. The waterfall list is an assignment procedure to be put in place once the occupancy rate falls below 95% for three consecutive months. The following assignment priority in descending order:

- All other active duty members
- Federal Civil Service Employees
- Retired Military Members
- Guard and Reserve Military
- Retired Federal Civil Service
- DoD Contractor
- **General Public**

Q: Will fire/security stay as a base requirement?

A: Yes. The base will continue providing emergency services. The developer will reimburse the government for fire/security services.

Q: When will the project be awarded?

A: The project(real estate transaction) is “scheduled” to close 31 July 2006.

Q: Will the government accept proposals that do not meet AF requirements?

A: No. The project has specific requirements for the developers to meet or exceed. Proposals not satisfying these minimum requirements will not be accepted.

Q: Is garbage and sewer going to be paid by the tenant?

A: No. The developer will be responsible for costs of garbage and sewer

Q: Are we still going to have self help?

A: At this time, it is not known if the developer will elect to have a self help program.